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INSITE
CONSULTING INC.

18 January 2005

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Via Hand Delivery
Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Mobile Satellite Ventures Subsidiary LLC
***Ex Parte* Presentation**
IB Docket No. 01-185
File No. SAT-MOD-20031118-00333 (ATC application)
File No. SAT-AMD-20031118-00332 (ATC application)
File No. SES-MOD-20031118-01879 (ATC application)

Dear Ms. Dortch:

Insite Consulting, Inc. hereby urges the Commission to afford L-band Mobile Satellite Service ("MSS") operators greater flexibility in their provision of an Ancillary Terrestrial Component ("ATC"), as requested by Mobile Satellite Ventures LP ("MSV") in the above-captioned proceedings. The increased flexibility requested by MSV will ensure that next-generation MSS systems in the L-band can finally achieve the ubiquitous coverage, capacity, and economies of scale needed for a true consumer service. In contrast, the restrictions on L-band ATC advocated by Inmarsat Ventures plc ("Inmarsat") will only ensure that MSS forever remains a niche service catering to price-insensitive users operating in remote areas.

Insite Consulting, Inc. has provided MSS since 2001 using the L-band satellites of MSV and Mobile Satellite Ventures (Canada) Inc. Insite Consulting, Inc. currently provides data services to US Air Force and commercial end user customers throughout the United States. Insite provides Automated Vehicle Location (AVL) services at all Air Force Space Command bases and will be providing these services through the Defense Transportation Tracking System (DTTS) to commercial carriers of DoD hazardous cargo in 2005. These DTTS-related carriers transport dangerous cargo across the United States, including through urban areas and must be effectively tracked to remain safe.

While Insite Consulting, Inc. has developed a viable business using current-generation MSS satellites to serve niche markets, we are excited about the future potential for MSS when supplemented with ATC. To date, MSS has been characterized by suitcase-sized user terminals, limited coverage, low data rates, and equipment and service prices far exceeding that offered by terrestrial wireless operators. Because the market for this type of service is small, the economies of scale needed to drive down equipment and service prices have not developed. With ATC, however, MSS has the potential to evolve into a true consumer service. ATC will provide the

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coverage, capacity, and economies of scale needed to bring MSS equipment and service prices to affordable levels. Moreover, by overcoming satellite signal blockage in urban areas, ATC will allow MSS to become a truly ubiquitous service, allowing us to market our products to customers not only in rural and remote areas but to customers in the most densely populated urban cores as well.

Insite Consulting, Inc. understands that Inmarsat is opposing MSV's efforts to make MSS into a more attractive service. This comes as no surprise to us. If MSV does not succeed in its development of a next-generation MSS system, Inmarsat will have a monopoly in the L-band MSS market in the United States. With no competitive pressure to discipline Inmarsat's rates, terms, and conditions, L-band MSS service providers will struggle to survive, resulting in bankruptcies, job losses, and a step backward in the slowly rebounding telecommunications sector. Moreover, with only Inmarsat left standing, the prospects for innovation in L-band MSS technology will cease to exist. L-band MSS will remain stuck in time as a service useful for only a handful of users in remote areas.

Insite Consulting, Inc. understands that Inmarsat has used concerns of potential interference to oppose and delay MSV's development of a next-generation MSS system. These concerns are overstated and speculative. For example, our customers will continue to use their satellite-only terminals after MSV deploys ATC, but we are not concerned that these terminals will experience interference from MSV's ATC base stations. This is because our customers do not use their satellite-only terminals in areas where MSV is expected to deploy base stations to overcome satellite signal blockage. By definition, if MSV needs to deploy an ATC base station to overcome signal blockage, our satellite-only terminals will not work effectively in those areas.

The Commission is at a crossroads in the development of MSS technology. Insite Consulting, Inc. urges the Commission to follow the path of innovation and better consumer service by adopting MSV's proposals for increased flexibility for ATC in the L-band.

Very truly yours,

Bruce Cowser

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